

Policy Name	Sole Source Procurement			Policy Number	76-30.03
Section Title	Contracts and Procurement	Section Number	76-30	Former Policy No.	76-5.3
Approval Authority	Agency Director			Effective Date	6/9/2021
Responsible Executive	Procurement Manager			Revised Date	10/26/2021
Responsible Office	Finance Office			Last Reviewed	7/19/2021
Responsible Reviewer	Russell Hahn, Lisa				

Purpose:

To ensure procurement procedures meet the agency's mission, fully conform to state law and are conducted in a fair and impartial manner.

Policy:

It is the policy of the Agency to obtain high quality goods and services at a reasonable cost, by conducting procurement in a fair and impartial manner with avoidance of any impropriety or appearance of impropriety; that competition is sought to the maximum feasible degree to ensure a reasonable cost and conform to the *The Virginia Public Procurement Act (VPPA)*, *Agency Procurement and Surplus Property Manual (APSPM) Vendors Manual*, *Construction and Professional Services Manual (CPSM)* issued by DGS/Division of Engineering and Buildings and the Virginia Information Technology Agency (VITA) *Buy IT Manual* regardless of the source of funds by which the contract is to be paid or which may or may not result in monetary consideration for either party.

A Sole Source procurement is authorized when there is only one source practicably available for the goods or services required. Competition is not available in a sole source situation; thus distinguishing it from a proprietary purchase where the product required is restricted to the manufacturer(s) stipulated, but is sold through distributors and competition between them can be obtained. Sole source justification based solely on a single vendor's capability to deliver in the last amount of time is not appropriate since availability alone is not a valid basis for determining a sole source procurement. For sole source requirements exceeding \$10,000, a written quotation must be obtained from the vendor.

Procedures:

A Sole Source procurement is authorized when there is only one source practically available for the goods or services required. Sole Source procurements for non-technology goods or services up to and including \$50,000 must be approved in advance by the agency head or designee, which shall be the chief purchasing officer or a direct report to the agency head. Sole Source procurements for nontechnology good or services over \$50,000 must be approved by DGS/DPS prior to commencement of the actual procurement using the Sole Source Procurement Approval Request Form which must be signed by the agency head or designee,

who shall be a direct report to the agency head.

Sole Source procurement for IT goods or services up to \$250,000 must be approved in advance by the agency head or designee, which shall be the chief purchasing officer or a direct report to the agency head. In addition, Sole Source procurements for IT goods or services over \$250,000 must be approved by VITA - Chief Information Officer (CIO) prior to commencement of the actual procurement.

Process:

1. Establish what is needed, when, where, why, who, quantity and estimated cost.
2. Research vendors to verify that competition is unavailable. Document steps to validate sole-source option using APSPM Annex 8-C or VITA's *Sole Source* form found in their *BUY IT* manual. Agency head or designee must approve documentation justifying sole source, stating facts showing "only one source practicably available".
3. If goods or services are over \$50,000, send to DGS/DPS for approval. For IT goods or services over \$250,000 send to VITA for approval.
4. Negotiations shall be conducted with the vendor. Issues for negotiation may be optimum price, delivery or payment terms, start-up supplies, extended warranties, service, etc. Include documentation of the negotiation in the procurement file.
5. Documentation supporting the determination of price reasonableness must be part of the file. Reasonableness may be determined by carefully researching the good or service and determines in writing what is a fair and reasonable price or contacting other agencies who have purchased same commodity or similar services from vendor.
6. Issue award document and place notice of sole source award in eVA.